

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

- Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended September 28, 1997 or
- Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from _____ to _____

Commission file number 1-6961

GANNETT CO., INC.

(Exact name of registrant as specified in its charter)

Delaware
(state or other jurisdiction of
incorporation or organization)

16-0442930
(I.R.S. Employer
Identification No.)

1100 Wilson Boulevard, Arlington, Virginia 22234
(Address of principal executive offices) (Zip Code)

(703) 284-6000
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if
changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

The number of shares outstanding of the issuer's Common Stock, Par Value \$1.00, as of September 28, 1997, was 141,838,379. Restated for the Company's two-for-one stock split that became effective on October 6, 1997, the number of shares outstanding of the issuer's Common Stock, Par Value \$1.00, as of September 28, 1997, was 283,676,758.

PART I. FINANCIAL INFORMATION

MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATIONS

OPERATING SUMMARY

Operating income for the third quarter of 1997 rose \$51.7 million or 22% to a total of \$284.7 million. Newspaper publishing earnings were up \$58.0 million or 36% for the quarter, reflecting strong advertising demand, a 15% reduction in newsprint expense, continued strong USA TODAY operating results and a favorable comparison year to year at The Detroit News.

Broadcasting earnings declined \$4.2 million or 6%, reflecting the absence of Summer Olympics related advertising which buoyed results in the third quarter of 1996. Operating income for the Company's cable and security businesses rose \$.8 million or 7% for the quarter.

Operating income for the first nine months of 1997 rose \$197.0 million or 28% and totaled \$903.0 million.

NEWSPAPERS

Newspaper publishing revenues rose \$62.2 million or 7% in the third quarter of 1997, which included a \$47.2 million or 8% gain in advertising revenues. Newspaper publishing revenues were up \$160.2 million or 6% for the year-to-date,

including advertising gains of \$135.2 million or 8%.

The tables below provide, on a pro forma basis, further details of newspaper ad revenue and lineage and preprint distribution for the third quarter and year-to-date periods of 1997 and 1996:

Advertising revenue, in thousands of dollars (pro forma)

Third Quarter	1997	1996	% Change
Local	\$ 199,487	\$ 189,682	5
National	112,622	103,543	9
Classified	233,427	213,345	9
	-----	-----	--
Total Run-of-Press	545,536	506,570	8
Preprint and other advertising	89,848	85,407	5
	-----	-----	--
Total ad revenue	\$ 635,384	\$ 591,977	7
	=====	=====	==

Advertising linage, in thousands of inches (pro forma)

Third Quarter	1997	1996	% Change
Local	7,982	7,554	6
National	634	538	18
Classified	9,852	9,146	8
	-----	-----	--
Total Run-of-Press linage	18,468	17,238	7
	=====	=====	==

Preprint distribution 1,507 1,470 3

Advertising revenue, in thousands of dollars (pro forma)

Year-to-date	1997	1996	% Change
Local	\$ 606,549	\$ 574,749	6
National	346,912	315,102	10
Classified	679,120	616,384	10
	-----	-----	--
Total Run-of-Press	1,632,581	1,506,235	8
Preprint and other advertising	268,449	258,912	4
	-----	-----	--
Total ad revenue	\$1,901,030	\$1,765,147	8
	=====	=====	==

Advertising linage, in thousands of inches (pro forma)

Year-to-date	1997	1996	% Change
Local	24,070	22,681	6
National	1,937	1,679	15
Classified	28,550	26,568	7
	-----	-----	--
Total Run-of-Press linage	54,557	50,928	7
	=====	=====	==

Preprint distribution 4,560 4,434 3

In the pro forma presentation above, total advertising revenues for the Company's newspapers rose 7% for the quarter and 8% for the year-to-date. Local ad revenues increased 5% for the quarter and 6% for the first nine months. National ad revenues rose 9% for the quarter and 10% year-to-date, reflecting significant gains by USA TODAY and USA WEEKEND. Classified advertising revenues increased 9% for the quarter and 10% for the year-to-date, reflecting gains in all categories, particularly in employment.

Reported newspaper circulation revenues rose 3% for the quarter and 2% for the first nine months. Net paid daily circulation for the Company's local newspapers was down 1% for the quarter and for the nine-month period, while Sunday circulation also declined 1% for the quarter and for the nine-month period. USA TODAY reported an average daily paid circulation of 2,169,860 in the ABC Publisher's statement for the 26 weeks ended September 28, 1997, which, subject to audit, is a 2% increase over the comparable period a year ago.

Operating costs in total for the newspaper segment were up \$4.2 million or 1% for the quarter and were down \$18.6 million or 1% for the first nine months due primarily to lower newsprint prices. Newsprint expense declined 15% for the quarter and 23% year-to-date with consumption up 7% for the quarter and year-to-date. If current pricing trends continue, newsprint expense for the fourth quarter may be up slightly compared to the fourth quarter of 1996.

Newspaper operating income increased \$58.0 million or 36% for the quarter and \$178.7 million or 35% for the year-to-date, reflecting continued strong advertising gains throughout the group, lower newsprint prices, strong operating results at USA TODAY and USA WEEKEND and a favorable comparison year to year at The Detroit News.

In April 1997, the Company sold The Observer in Moultrie, Georgia. In May 1997, the Company's commercial printing division, Gannett Offset, acquired Printed Media Companies, a full-service heat set printer based in Minneapolis, Minnesota. In August 1997, the Company acquired Army Times Publishing Company, located in Springfield, Virginia, which publishes six weekly newspapers and one monthly publication. These transactions did not materially affect newspaper operating results for the quarter or year-to-date period.

In October 1997, the Company acquired New Jersey Press, Inc., which publishes the daily Asbury Park Press and Home News & Tribune of East Brunswick, and operates In Jersey, an Internet service. The Asbury Park Press, founded in 1879, has a daily circulation of approximately 160,000 and 230,000 on Sunday. The Home News & Tribune has a daily circulation of approximately 81,000 and 87,000 on Sunday. This transaction was completed after the close of the third quarter and will be recorded under the purchase method of accounting in the fourth quarter. It will not materially affect newspaper operating results.

BROADCASTING

Broadcast revenues declined \$14.0 million or 8% for the third quarter, reflecting the absence of Summer Olympics related advertising which buoyed results in the third quarter of 1996. For the first nine months, broadcast revenues increased \$7.9 million or 2%. Operating costs were down \$9.8 million or 9% for the quarter and were down \$10.1 million or 4% for the year-to-date.

Pro forma broadcasting revenues declined 5% for the quarter and increased 3% for the first nine months. Pro forma local television ad revenues declined 4% for the quarter and grew 5% for the year-to-date, while pro forma national revenues declined 9% for the quarter and were flat for the first nine months. Pro forma radio revenues were up 15% for the quarter and 18% for the first nine months.

Reported broadcast operating income declined \$4.2 million or 6% for the quarter and increased \$18.0 million or 9% for the first nine months. Third quarter earnings comparisons were adversely affected, particularly at the Company's NBC affiliates, by the absence of Summer Olympics related advertising that boosted revenues in the third quarter of 1996. Continued high demand for TV and radio advertising, coupled with cost controls, resulted in stronger earnings at most of the company's other broadcasting stations for the quarter and the first nine months.

In January 1997, the Company concluded the transaction with Argyle Television, Inc. to exchange WLWT-TV (NBC-Cincinnati) and KOCO-TV (ABC-Oklahoma City) for WZZM-TV (ABC-Grand Rapids/Kalamazoo/Battle Creek) and WGRZ-TV (NBC-Buffalo). This exchange, which was necessary to comply with Federal Communication Commission (FCC) cross-ownership rules, was accounted for as a non-monetary transaction under which no gain or loss was recognized. This exchange did not materially affect broadcast operating results for the quarter or year-to-date period.

In April 1997, the Company announced that it had entered into an agreement to sell its remaining radio stations, WGCI-AM/FM, Chicago, KHKS-FM, Dallas and KKBQ-AM/FM, Houston, to Evergreen Media. The transaction is expected to close later this year or in early 1998.

In May 1997, the Company acquired KNAZ-TV (Flagstaff, AZ) and KMOH-TV (Kingman, AZ). With the completion of this transaction, Gannett Broadcasting includes 18 television stations reaching 15.7 percent of the U.S. television

homes. This transaction did not materially affect broadcast operating results for the quarter or year-to-date period.

In October 1997, the Company announced that it had entered into an agreement to purchase WCSH-TV, the NBC television affiliate in Portland, Maine, and WLBZ-TV, the NBC television affiliate in Bangor, Maine. The transaction is subject to Federal Communications Commission and other approvals. Closing is expected to occur near the end of 1997. Upon completion of this transaction, Gannett Broadcasting will consist of 20 television stations reaching 16.2 percent of U.S. television homes. This transaction will not materially affect broadcast operating results.

CABLE AND SECURITY

Cable television and alarm security operating revenues rose \$5.2 million or 9% for the quarter and \$16.7 million or 10% for the year-to-date, while operating expenses rose \$4.4 million or 9% for the quarter and increased \$12.5 million or 9% for the first nine months. Operating income from cable and security rose \$.8 million or 7% for the quarter and \$4.2 million or 12% for the year-to-date.

Cable revenues increased 9% for the quarter and for the year-to-date as the number of basic cable subscribers at quarter end increased 3% and the number of pay subscribers decreased 1%. Alarm security revenue rose 10% for the quarter and 13% for the year-to-date as the number of alarm security subscribers at quarter end increased 13%.

NON-OPERATING INCOME AND EXPENSE

Interest expense decreased \$10.7 million or 31% for the quarter and \$38.2 million or 34% for the year-to-date, reflecting the pay down of commercial paper borrowings from operating cash flow and the proceeds from the sale of the outdoor and entertainment businesses in the second half of 1996.

PROVISION FOR INCOME TAXES

The Company's effective income tax rate was 41.3% for the quarter and for the year-to-date versus 43% for the comparable periods in 1996. The decrease in the effective tax rate reflects the diminished impact of the amortization of non-deductible intangible assets given expected earnings gains in 1997.

INCOME FROM CONTINUING OPERATIONS AND NET INCOME

On August 19, 1997, the Company's Board of Directors approved a two-for-one stock split effective on October 6, 1997, for shareholders of record on September 12, 1997. In this Form 10-Q, all share and per-common-share amounts have been adjusted to reflect the stock split and \$162.2 million was transferred from retained earnings to common stock to reflect the par value of additional shares issued.

Income from continuing operations rose \$41.3 million or 37% and totaled \$152.5 million for the quarter and rose \$147.4 million or 44% and totaled \$482.3 million for the year-to-date. Earnings per share from continuing operations for the quarter rose to \$0.54 from \$0.39, an increase of 39%. Earnings per share from continuing operations for the first nine months rose to \$1.70 from \$1.18 or 44%.

Net income including discontinued operations declined \$262.2 million or 63% for the quarter and \$171.8 million or 26% for the year-to-date. Net income per share declined to \$0.54 from \$1.47 for the quarter, a decrease of 63%, and to \$1.70 from \$2.32 for the year-to-date, a decrease of 27%. The third quarter and year-to-date declines were the result of the sale in the third quarter of 1996 of the outdoor advertising business, which yielded an after-tax gain of \$294.6 million or \$1.05 per share. Income in 1996 from the discontinued outdoor advertising and entertainment operations was \$8.9 million or \$0.03 per share for the quarter and \$24.5 million or \$0.09 per share for the year-to-date.

The weighted average number of shares outstanding totaled 283,597,000 for the third quarter of 1997, compared to 281,888,000 for the third quarter of 1996. Average shares outstanding for the year-to-date totaled 283,227,000 for 1997 and 281,646,000 for 1996. The increase in the number of shares outstanding for the quarter and year-to-date periods is due mainly to the issuance of shares upon the exercise of stock options and the settlement of stock incentive rights.

LIQUIDITY AND CAPITAL RESOURCES

The Company's consolidated operating cash flow (defined as operating income plus depreciation and amortization of intangible assets) as reported in the accompanying Business Segment Information totaled \$1,127.4 million for the first nine months of 1997, compared with \$923.1 million a year ago, a 22% increase, reflecting strong overall operating results.

Capital expenditures for the year-to-date totaled \$142.1 million, compared to \$195.3 million in 1996. The Company's long-term debt (commercial paper obligations) was reduced by \$290.8 million from operating cash flow in the first nine months of 1997. The Company declared quarterly dividends of \$0.18 per share in each of the first and second quarters and increased the dividend to \$0.19 per share in the third quarter. Dividends totaled \$152.2 million for the first nine months.

At the end of the third quarter, the Company's long term debt included \$275 million in 5.25% notes payable due in March 1998. These notes and the Company's commercial paper obligations are supported by a \$3.0 billion revolving credit agreement with a term extending to November 12, 2000. As a result, these obligations are classified as long-term debt.

OTHER MATTERS

Expenses for the first nine months included the gift of the Niagara Gazette newspaper to the Gannett Foundation. Subsequent to the transfer, the Gannett Foundation sold the Niagara Gazette so that the proceeds could be used to fund the Foundation and its community grants. The sale also resolved the FCC newspaper-television cross-ownership issues that arose as a result of the company's acquisition of television station WGRZ in Buffalo, New York.

CONSOLIDATED BALANCE SHEETS
Gannett Co., Inc. and Subsidiaries
Unaudited, in thousands of dollars

	Sept. 28, 1997	Dec. 29, 1996
	-----	-----
ASSETS		
Cash	\$ 44,155	\$ 27,179
Marketable securities	1,969	4,023
Trade receivables, less allowance (1997 - \$17,310; 1996 - \$18,942)	552,850	569,095
Other receivables	36,218	47,850
Inventories	93,826	73,621
Prepaid expenses	43,659	44,837
	-----	-----
Total current assets	772,677	766,605
	-----	-----
Property, plant and equipment		
Cost	3,578,270	3,423,400
Less accumulated depreciation	(1,565,100)	(1,429,340)
	-----	-----
Net property, plant and equipment	2,013,170	1,994,060
	-----	-----
Intangible and other assets		
Excess of acquisition cost over the value of assets acquired, less amortization (1997 - \$642,606; 1996 - \$569,527)	3,400,493	3,393,931
Investments and other assets	212,598	195,001
	-----	-----
Total intangible and other assets	3,613,091	3,588,932
	-----	-----
Total assets	\$ 6,398,938	\$ 6,349,597
	=====	=====
LIABILITIES & SHAREHOLDERS' EQUITY		
Current maturities of long-term debt	\$ 18,375	\$ 23,302
Accounts payable and current portion of film contracts payable	239,465	261,838
Compensation, interest and other accruals	256,983	231,358
Dividend payable	54,335	51,890
Income taxes	6,852	46,098
Deferred income	118,055	104,510
	-----	-----
Total current liabilities	694,065	718,996
	-----	-----
Deferred income taxes	361,907	396,170
Long-term debt, less current portion	1,594,970	1,880,293
Postretirement, medical and life insurance liabilities	307,898	301,729
Other long-term liabilities	156,861	121,591
	-----	-----
Total liabilities	3,115,701	3,418,779
	-----	-----
Shareholders' Equity		
Preferred stock of \$1 par value per share. Authorized 2,000,000 shares; issued - none.		
Common stock of \$1 par value per share. Authorized 400,000,000; issued, 324,420,732 shares.	324,421	162,210
Additional paid-in capital	89,372	86,126
Retained earnings	3,818,771	3,654,681
	-----	-----
Total	4,232,564	3,903,017
	-----	-----
Less treasury stock - 40,743,974 shares and 41,785,322 shares respectively, at cost	(920,592)	(942,609)
Deferred compensation related to ESOP	(28,735)	(29,590)
	-----	-----
Total shareholders' equity	3,283,237	2,930,818
	-----	-----
Total liabilities and shareholders' equity	\$ 6,398,938	\$ 6,349,597
	=====	=====

Note: All common share amounts have been adjusted to reflect the two-for-one stock split effective on October 6, 1997.

CONSOLIDATED STATEMENTS OF INCOME
Gannett Co., Inc. and Subsidiaries
Unaudited, in thousands of dollars (except per share amounts)

	Thirteen weeks ended		% Inc
	Sept. 28, 1997	Sept. 29, 1996	(Dec)
Net Operating Revenues:			
Newspaper advertising	\$ 633,019	\$ 585,814	8.1
Newspaper circulation	235,439	229,197	2.7
Broadcasting	164,895	178,879	(7.8)
Cable & Security	63,502	58,332	8.9
Other	49,235	40,481	21.6
	-----	-----	-----
Total	1,146,090	1,092,703	4.9
	-----	-----	-----
Operating Expenses:			
Cost of sales and operating expenses, exclusive of depreciation	602,418	612,888	(1.7)
Selling, general and administrative expenses, exclusive of depreciation	184,092	174,533	5.5
Depreciation	49,979	48,772	2.5
Amortization of intangible assets	24,900	23,472	6.1
	-----	-----	-----
Total	861,389	859,665	0.2
	-----	-----	-----
Operating income	284,701	233,038	22.2
	-----	-----	-----
Non-operating income (expense):			
Interest expense	(23,418)	(34,111)	(31.3)
Other	(1,573)	(3,917)	(59.8)
	-----	-----	-----
Total	(24,991)	(38,028)	(34.3)
	-----	-----	-----
Income before income taxes	259,710	195,010	33.2
Provision for income taxes	107,250	83,800	28.0
	-----	-----	-----
Income from continuing operations	152,460	111,210	37.1
Discontinued operations:			
Income from discontinued operations, net of income tax		8,861	(100.0)
Gain from sale of discontinued operations, net of income tax		294,580	(100.0)
	-----	-----	-----
Net income	\$ 152,460	\$ 414,651	(63.2)
	=====	=====	=====
Earnings per share:			
Earnings from continuing operations	\$0.54	\$0.39	38.5
Earnings from discontinued operations, net of tax		0.03	(100.0)
Gain from sale of discontinued operations, net of tax		1.05	(100.0)
	-----	-----	-----
Net income per share	\$0.54	\$1.47	(63.3)
	====	====	====
Dividends per share	\$0.19	\$0.18	5.6
	====	====	====

NOTE: All per common share amounts have been adjusted to reflect the two-for-one stock split effective on October 6, 1997.

CONSOLIDATED STATEMENTS OF INCOME
Gannett Co., Inc. and Subsidiaries
Unaudited, in thousands of dollars (except per share amounts)

	Thirty-nine weeks ended		% Inc
	Sept. 28, 1997	Sept. 29, 1996	(Dec)
Net Operating Revenues:			
Newspaper advertising	\$ 1,882,877	\$ 1,747,679	7.7
Newspaper circulation	701,046	685,874	2.2
Broadcasting	504,746	496,873	1.6
Cable & Security	189,411	172,676	9.7
Other	132,594	122,778	8.0
	-----	-----	-----
Total	3,410,674	3,225,880	5.7
	-----	-----	-----
Operating Expenses:			
Cost of sales and operating expenses, exclusive of depreciation	1,744,586	1,790,918	(2.6)
Selling, general and administrative expenses, exclusive of depreciation	538,670	511,830	5.2
Depreciation	149,737	146,643	2.1
Amortization of intangible assets	74,640	70,468	5.9
	-----	-----	-----
Total	2,507,633	2,519,859	(0.5)
	-----	-----	-----
Operating income	903,041	706,021	27.9
	-----	-----	-----
Non-operating income (expense):			
Interest expense	(73,819)	(112,042)	(34.1)
Other	(7,665)	(6,157)	24.5
	-----	-----	-----
Total	(81,484)	(118,199)	(31.1)
	-----	-----	-----
Income before income taxes	821,557	587,822	39.8
Provision for income taxes	339,300	252,925	34.2
	-----	-----	-----
Income from continuing operations	482,257	334,897	44.0
Discontinued operations:			
Income from discontinued operations, net of income tax		24,540	(100.0)
Gain from sale of discontinued operations, net of income tax		294,580	(100.0)
	-----	-----	-----
Net income	\$ 482,257	\$ 654,017	(26.3)
	=====	=====	=====
Earnings per share:			
Earnings from continuing operations	\$1.70	\$1.18	44.1
Earnings from discontinued operations, net of tax		0.09	(100.0)
Gain from sale of discontinued operations, net of tax		1.05	(100.0)
	-----	-----	-----
Net income per share	\$1.70	\$2.32	(26.7)
	====	====	====
Dividends per share	\$0.55	\$0.53	3.8
	====	====	====

NOTE: All per common share amounts have been adjusted to reflect the two-for-one stock split effective on October 6, 1997.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
Gannett Co., Inc. and Subsidiaries
Unaudited, in thousands of dollars

	Thirty-nine weeks ended	
	Sept. 28, 1997	Sept. 29, 1996
Cash flows from operating activities		
Net income	\$ 482,257	\$ 654,017
Adjustments to reconcile net income to operating cash flows:		
Discontinued operations		(319,120)
Depreciation	149,737	146,643
Amortization of intangibles	74,640	70,468
Deferred income taxes	(13,500)	(13,351)
Other, net	(21,688)	17,376
	-----	-----
Net cash flow from operating activities	671,446	556,033
	-----	-----
Cash flows from investing activities		
Purchase of property, plant and equipment	(142,062)	(195,322)
Payments for acquisitions, net of cash acquired	(98,721)	
Change in other investments	(10,501)	(18,341)
Proceeds from sale of certain assets	8,993	720,928
Collection of long-term receivables	3,828	1,205
	-----	-----
Net cash (used for) provided by investing activities	(238,463)	508,470
	-----	-----
Cash flow from financing activities		
Payments of long-term debt	(290,787)	(927,739)
Dividends paid	(152,226)	(146,407)
Cost of common shares repurchased		(1,436)
Proceeds from issuance of common stock	24,952	16,906
	-----	-----
Net cash used for financing activities	(418,061)	(1,058,676)
	-----	-----
Effect of currency exchange rate change		(236)
	-----	-----
Net increase in cash and cash equivalents	14,922	5,591
Balance of cash and cash equivalents at beginning of year	31,202	46,985
	-----	-----
Balance of cash and cash equivalents at end of third quarter	\$ 46,124	\$ 52,576
	=====	=====

BUSINESS SEGMENT INFORMATION
Gannett Co., Inc. and Subsidiaries
Unaudited, in thousands of dollars

	Thirteen weeks ended		% Inc
	Sept. 28, 1997	Sept. 29, 1996	(Dec)
Operating Revenues:			
Newspaper publishing	\$ 917,693	\$ 855,492	7.3
Broadcasting	164,895	178,879	(7.8)
Cable and Security	63,502	58,332	8.9
	-----	-----	-----
Total	\$ 1,146,090	\$ 1,092,703	4.9
	=====	=====	=====
Operating Income (net of depreciation and amortization):			
Newspaper publishing	\$ 217,793	\$ 159,783	36.3
Broadcasting	71,884	76,116	(5.6)
Cable and Security	12,323	11,546	6.7
Corporate	(17,299)	(14,407)	(20.1)
	-----	-----	-----
Total	\$ 284,701	\$ 233,038	22.2
	=====	=====	=====
Depreciation and Amortization:			
Newspaper publishing	\$ 41,065	\$ 40,282	1.9
Broadcasting	14,404	12,886	11.8
Cable and Security	17,196	16,609	3.5
Corporate	2,214	2,467	(10.3)
	-----	-----	-----
Total	\$ 74,879	\$ 72,244	3.6
	=====	=====	=====
Operating Cash Flow:			
Newspaper publishing	\$ 258,858	\$ 200,065	29.4
Broadcasting	86,288	89,002	(3.0)
Cable and Security	29,519	28,155	4.8
Corporate	(15,085)	(11,940)	(26.3)
	-----	-----	-----
Total	\$ 359,580	\$ 305,282	17.8
	=====	=====	=====

NOTE:

Operating Cash Flow represents operating income for each of the Company's business segments plus related depreciation and amortization expense.

BUSINESS SEGMENT INFORMATION

Gannett Co., Inc. and Subsidiaries
 Unaudited, in thousands of dollars

	Thirty-nine weeks ended		% Inc
	Sept. 28, 1997	Sept. 29, 1996	(Dec)
Operating Revenues:			
Newspaper publishing	\$ 2,716,517	\$ 2,556,331	6.3
Broadcasting	504,746	496,873	1.6
Cable and Security	189,411	172,676	9.7
	-----	-----	-----
Total	\$ 3,410,674	\$ 3,225,880	5.7
	=====	=====	=====
Operating Income (net of depreciation and amortization):			
Newspaper publishing	\$ 688,569	\$ 509,833	35.1
Broadcasting	226,275	208,264	8.6
Cable and Security	39,573	35,335	12.0
Corporate	(51,376)	(47,411)	(8.4)
	-----	-----	-----
Total	\$ 903,041	\$ 706,021	27.9
	=====	=====	=====
Depreciation and Amortization:			
Newspaper publishing	\$ 123,577	\$ 121,741	1.5
Broadcasting	43,898	38,904	12.8
Cable and Security	50,348	48,887	3.0
Corporate	6,554	7,579	(13.5)
	-----	-----	-----
Total	\$ 224,377	\$ 217,111	3.3
	=====	=====	=====
Operating Cash Flow:			
Newspaper publishing	\$ 812,146	\$ 631,574	28.6
Broadcasting	270,173	247,168	9.3
Cable and Security	89,921	84,222	6.8
Corporate	(44,822)	(39,832)	(12.5)
	-----	-----	-----
Total	\$ 1,127,418	\$ 923,132	22.1
	=====	=====	=====

NOTE:

Operating Cash Flow represents operating income for each of the Company's business segments plus related depreciation and amortization expense.

NOTE TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

September 28, 1997

1. Basis of Presentation

The accompanying unaudited consolidated condensed financial statements have been prepared in accordance with the instructions for Form 10-Q and, therefore, do not include all information and footnotes which are normally included in Form 10-K and annual report to shareholders. The financial statements covering the 13 and 39 week periods ended September 28, 1997, and the comparative periods of 1996 reflect all adjustments which, in the opinion of the Company, are necessary for a fair statement of results for the interim periods.

PART II. OTHER INFORMATION

Item 5. Other Information

Effective December 9, 1997, Karen Hastie Williams was elected to the Company's Board of Directors. With her election, the Board numbers 10. Ms. Williams will serve on the Board for a term that expires at the annual meeting of shareholders held in 2000.

The following appointments were made effective September 24, 1997:

Douglas H. McCorkindale, Vice Chairman and President
Larry F. Miller, Executive Vice President and Chief
Financial Officer
George R. Gavagan, Vice President and Controller

Item 6. Exhibits and Reports on Form 8-K

- (a) Exhibits.
See Exhibit Index for list of exhibits filed with this report.
- (b) Reports on Form 8-K.
None.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GANNETT CO., INC.

Dated: November 12, 1997

/s/ George R. Gavagan

George R. Gavagan
Vice President and Controller

Dated: November 12, 1997

/s/ Thomas L. Chapple

Thomas L. Chapple
Senior Vice President, General
Counsel and Secretary

EXHIBIT INDEX

Exhibit Number	Title or Description	Location
3-1	By-laws of Gannett Co., Inc.	Attached
4-1	\$1,000,000,000 Revolving Credit Agreement among Gannett Co., Inc. and the Banks named therein.	Incorporated by reference to Exhibit 4-1 to Gannett Co., Inc.'s Form 10-K for the fiscal year ended December 26, 1993.
4-2	Amendment Number One to \$1,000,000,000 Revolving Credit Agreement among Gannett Co., Inc. and the Banks named therein.	Incorporated by reference to Exhibit 4-2 to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended June 26, 1994.
4-3	Amendment Number Two to \$1,500,000,000 Revolving Credit Agreement among Gannett Co., Inc. and the Banks named therein.	Incorporated by reference to Gannett Co., Inc.'s Form 10-K for the fiscal year ended December 31, 1995.
4-4	Amendment Number Three to \$3,000,000,000 Revolving Credit Agreement among Gannett Co., Inc. and the Banks named therein, dated as of August 20, 1996.	Incorporated by reference to Exhibit 4-4 to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended September 29, 1996.
4-5	Indenture dated as of March 1, 1983 between Gannett Co., Inc. and Citibank, N.A., as Trustee.	Incorporated by reference to Exhibit 4-2 to Gannett Co., Inc.'s Form 10-K for the fiscal year ended December 29, 1985.
4-6	First Supplemental Indenture dated as of November 5, 1986 among Gannett Co., Inc., Citibank, N.A., as Trustee, and Sovran Bank, N.A., as Successor Trustee.	Incorporated by reference to Exhibit 4 to Gannett Co., Inc.'s Form 8-K filed on November 9, 1986.
4-7	Second Supplemental Indenture dated as of June 1, 1995 among Gannett Co., Inc., NationsBank, N.A., as Trustee, and Crestar Bank, as Trustee.	Incorporated by reference to Exhibit 4 to Gannett Co., Inc.'s Form 8-K filed June 15, 1995
4-8	Rights Plan.	Incorporated by reference to Exhibit 1 to Gannett Co., Inc.'s Form 8-K filed on May 23, 1990.
10-1	Amended and Restated Gannett Co., Inc. Deferred Compensation Plan.	Incorporated by reference to Exhibit 10-1 to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended September 29, 1996.
10-2	Amendment No. 5 to Deferred Compensation Plan	Attached.
10-3	Amendment No. 8 to Executive Long Term Incentive Plan	Attached.
11	Statement re computation of earnings per share.	Attached.

Gannett Co., Inc. agrees to furnish to the Securities and Exchange Commission, upon request, a copy of each agreement with respect to long-term debt not filed herewith in reliance upon the exemption from filing applicable to any series of debt which does not exceed 10% of the total consolidated assets of the registrant.

BY-LAWS

OF

GANNETT CO., INC.

ARTICLE I.

Meetings of Stockholders

Section 1. Annual Meetings: The annual meeting of the stockholders for the election of directors and for the transaction of such other business as may come before the meeting shall be held on such date and at such hour as shall each year be fixed by the Board of Directors.

Section 2. Special Meetings: Except as otherwise required by law and subject to the rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation, special meetings of the stockholders may be called only by the Chairman of the Board or by the Board of Directors pursuant to a resolution approved by a majority of the entire Board of Directors.

Section 3. Place of Meeting: Meetings of stockholders of the Corporation shall be held at such place, either within or without the State of Delaware, as shall be fixed by the Board of Directors in the case of meetings called by the Board, or by the Chairman of the Board in the case of meetings called by the Chairman, and specified in the notice of said meeting.

Section 4. Notice of Meetings: Except as otherwise permitted or provided by law or these By-laws, written notice of each meeting of the stockholders shall be given to each stockholder of record entitled to vote at such meeting, whether annual or special, not less than ten (10) nor more than sixty (60) days before the day on which the meeting is to be held. A written waiver of notice of any meeting of stockholders, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Notice of any adjourned meeting of stockholders shall not be required to be given, except where expressly required by law.

Section 5. Organization: At each meeting of the stockholders, the Chairman of the Board, or in his absence, the Vice Chairman, or in the absence of both officers, an officer selected by the Chairman of the Board, or if the Chairman of the Board has made no selection, an officer selected by the Board, shall act as chairman of the meeting and the Secretary or, in his absence, an Assistant Secretary, if one be appointed, shall act as secretary of the meeting. In case at any meeting none of the officers who have been designated to act as chairman or secretary of the meeting, respectively, shall be present, a chairman or secretary of the meeting, as the case may be, shall be chosen by the vote of a majority in interest of the stockholders of the Corporation present in person or by proxy and entitled to vote at such meeting.

Section 6. Quorum and Conduct of Meetings.

(a) At each meeting of the stockholders, except where otherwise provided by law, the holders of a majority of the issued and outstanding shares of each class of stock of the Corporation entitled to vote at such meeting shall constitute a quorum for the transaction of business and a majority in amount of such quorum shall decide any questions that may come before the meeting. In the absence of a quorum, a majority in interest of the stockholders of the

Corporation present in person or by proxy and entitled to vote, or, if no stockholder entitled to vote is present, any officer entitled to preside at, or act as secretary of, such meeting, shall have the power to adjourn the meeting from time to time until stockholders holding the requisite amount of stock shall be present or represented. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally called.

(b) The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the chairman of the meeting. The Board of Directors may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the chairman of any meeting of stockholders shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be conducted in accordance with the rules of parliamentary procedure.

Section 7. Voting.

(a) At each meeting of stockholders every stockholder of record of the Corporation entitled to vote at such meeting shall be entitled to one vote for each share of stock of the Corporation registered in his name on the books of the Corporation on the record date for such meeting. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for him by proxy. Such proxy shall be appointed by an instrument in writing, subscribed by such stockholder or by his attorney thereunto authorized and delivered to the secretary of the meeting, or shall otherwise be executed and transmitted as may be permissible under applicable law; provided, however, that no proxy shall be voted on after three years from its date unless said proxy provides for a longer period. At all meetings of the stockholders, all matters (except where other provision is made by statute, by the Certificate of Incorporation or by these By-laws) shall be decided by the vote of a majority of the stock present in person or by proxy and entitled to vote at the meeting. At each meeting of stockholders for the election of Directors, the voting for Directors need not be by ballot unless the chairman of the meeting or the holders, present in person or by proxy, of a majority of the stock of the Corporation entitled to vote at such meeting shall so determine.

(b) The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be

announced at the meeting. No ballot, proxies or votes, nor any revocations thereof or changes thereto, shall be accepted by the inspectors after the closing of the polls unless a proper court upon application by a stockholder shall determine otherwise.

(c) The Corporation shall, in advance of any meeting of stockholders, appoint one or more inspectors to act at the meeting and make a written report thereof. The Corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability.

(d) The inspectors shall (i) ascertain the number of shares outstanding and the voting power of each, (ii) determine the shares represented at a meeting and the validity of proxies and ballots, (iii) count all votes and ballots, (iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, (v) certify their determination of the number of shares represented at the meeting and their count of all votes and ballots, and (vi) perform such other duties as may be required by law or designated by the Secretary of the Corporation. In performing their duties, the inspectors of election shall follow applicable law and the instructions of the Secretary.

Section 8. List of Stockholders: It shall be the duty of the Secretary or other officer of the Corporation who shall have charge of its stock ledger, either directly or through another officer of the Corporation designated by him or through a transfer agent or transfer clerk appointed by the Board of Directors, to prepare and make, at least ten (10) days before every meeting of the stockholders, a complete list of the stockholders entitled to vote thereat, arranged in alphabetical order and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for said ten (10) days, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of meeting, or, if not so specified, at the place where said meeting is to be held. The list shall be produced and kept at the time and place of said meeting during the whole time thereof and subject to the inspection of any stockholder who shall be present thereat. The original or duplicate stock ledger shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, such list or the books of the Corporation, or to vote in person or by proxy at such meeting.

Section 9. Stockholder Action: Any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of such holders and may not be effected by any consent in writing by such holders.

ARTICLE II.

Board of Directors

Section 1. General Power: The property, business and affairs of the Corporation shall be managed by or under the

direction of the Board of Directors.

Section 2. Number and Terms: Except as otherwise fixed pursuant to the provisions of Article FOURTH of the Certificate of Incorporation relating to the rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation to elect additional directors under specified circumstances, the number of the directors of the Corporation shall be fixed from time to time by majority vote of the entire Board of Directors. The directors, other than those who may be elected by the holders of any class or series of stock having preference over the Common Stock as to dividends or upon liquidation, shall be classified, with respect to the time for which they severally hold office, into three classes, as nearly equal in number as possible, as determined by the Board of Directors, one class to be originally elected for a term expiring at the annual meeting of stockholders to be held in 1986, another class to be originally elected for a term expiring at the annual meeting of stockholders to be held in 1987, and another class to be originally elected for a term expiring at the annual meeting of stockholders to be held in 1988, with the members of each class to hold office until their successors are elected and qualified. At each annual meeting of the stockholders of the Corporation, the successors of the class of directors whose term expires at that meeting shall be elected to hold office for a term expiring at the annual meeting of stockholders held in the third year following the year of their election.

Section 3. Qualifications of Directors: No one shall be eligible to serve as a member of the Board of Directors after the first annual meeting of shareholders following his or her seventieth birthday, or, in the case of anyone who has at any time served as an executive of this Corporation, after the first annual meeting of shareholders following his or her sixty-fifth birthday or the date on which he or she retires under the Corporation's retirement plan, whichever occurs first. Every person who is elected a director of this Corporation at the 1989 annual meeting of shareholders of this Corporation or thereafter shall at the time of his or her election to the Board, and at all times during his or her tenure as a director, own, directly or beneficially (beneficial ownership to be determined in accordance with the Securities Exchange Act of 1934), at least one thousand shares of the common stock of this Corporation.

Section 4. Nominations: Subject to the rights of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation to elect directors under specified circumstances, nominations for the election of directors may be made by the Board of Directors or a committee appointed by the Board of Directors or by any stockholder entitled to vote in the election of directors generally. However, any stockholder entitled to vote in the election of directors generally may nominate one or more persons for election as director at a meeting only if written notice of such stockholder's intent to make such nomination or nominations has been given, either by personal delivery or by United States mail, postage prepaid, to the Secretary of the Corporation not later than (i) with respect to an election to be held at an annual meeting of stockholders, 90 days in advance of such meeting, and (ii) with respect to an election to be held at a special meeting of stockholders for the election of directors, the close of business on the tenth day following the date on which notice of such meeting is first given to stockholders. Each such notice shall set forth: (a) the name and address of the stockholder who intends to make the nomination and of the person or persons to be nominated; (b) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; (c) a description of all arrangements or understandings between stockholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the stockholder; (d) such other information regarding each nominee proposed by such stockholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange

Commission, had the nominee been nominated, or intended to be nominated, by the Board of Directors; and (e) the consent of each nominee to serve as a director of the Corporation if so elected. The chairman of the meeting may refuse to acknowledge the nomination of any person not made in compliance with the foregoing procedure.

Section 5. Notice of Stockholder Business: At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (b) otherwise properly brought before the meeting by or at the direction of the Board of Directors, or (c) otherwise properly brought before the meeting by a stockholder. For business to be properly brought before an annual meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the Corporation, not less than 90 days prior to the meeting. A stockholder's notice to the Secretary shall set forth as to each matter the stockholder proposes to bring before the annual meeting (a) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (b) the name and address, as they appear on the Corporation's books, of the stockholder proposing such business, (c) the class and number of shares of the Corporation which are beneficially owned by the stockholder, and (d) any material interest of the stockholder in such business. Notwithstanding anything in the By-laws to the contrary, no business shall be conducted at an annual meeting except in accordance with the procedures set forth in this Section 5. The chairman of an annual meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting and in accordance with the provisions of this Section 5 and if he should so determine, he shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted.

Section 6. Election: At each annual meeting of stockholders, Directors shall, except as otherwise required or provided by law or by the Certificate of Incorporation, be elected by a plurality of the votes cast at such meeting by the holders of stock entitled to vote in the election. Each Director shall hold office until his successor shall be elected and qualified, or until his death, or until he shall resign or shall have been removed in the manner hereinafter provided, or until he shall cease to qualify.

Section 7. Resignation: Any Director of the Corporation may resign at any time by giving written notice to the Corporation. The resignation of any Director shall take effect at the time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 8. Removal of Directors: Any Director may be removed from office, with cause, by the affirmative vote of the holders of record of a majority of the combined voting power of the outstanding shares of Stock entitled to vote generally in the election of directors, voting together as a single class and without cause, only by the affirmative vote of the holders of 80% of the combined voting power of the then outstanding shares of stock entitled to vote generally in the election of directors, voting together as a single class.

Section 9. Newly Created Directorships and Vacancies: Except as otherwise fixed pursuant to the provisions of Article FOURTH of the Certificate of Incorporation relating to the rights of the holders of any class or series of stock having preference over the Common Stock as to dividends or upon liquidation to elect additional directors under specified circumstances, newly created directorships resulting from any increase in the number of directors and any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other cause shall

be filled by the affirmative vote of a majority of the remaining directors then in office, even though less than a quorum of the Board of Directors. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the class of directors in which the new directorship was created or the vacancy occurred and until such director's successor shall have been elected and qualified. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

Section 10. First Meeting: After each annual election of Directors and on the same day, the Board of Directors may meet for the purpose of organization, the election of officers and the transaction of other business at the place where regular meetings of the Board of Directors are held. Notice of such meeting need not be given. Such meeting may be held at any other time or place which shall be specified in a notice given as hereinafter provided for special meetings of the Board of Directors or in a consent and waiver of notice thereof signed by all the Directors.

Section 11. Regular Meetings: Regular meetings of the Board of Directors shall be held at such places and at such times as may from time to time be fixed by the Board. Notice of regular meetings need not be given.

Section 12. Special Meetings: Special meetings of the Board of Directors shall be held at any time upon the call of the Chairman of the Board or any two of the Directors. Notice of each such meeting shall be mailed to each Director, addressed to him at his residence or usual place of business, at least three days before the day on which the meeting is to be held, or shall be sent to him by telegraph, cable or wireless so addressed or shall be delivered personally or by telephone at least 24 hours before the time the meeting is to be held. Each notice shall state the time and place of the meeting but need not state the purposes thereof, except as otherwise herein expressly provided. Notice of any meeting of the Board of Directors need not, however, be given to any Director, if waived by him in writing or by telegraph, cable, wireless or other form of recorded communication or if he shall be present at such meeting; and any meeting of the Board shall be a legal meeting without any notice thereof having been given if all of the Directors of the Corporation then in office shall be present thereat.

Members of the Board of Directors, or any committee designated by such Board, may participate in a meeting of such Board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.

Section 13. Quorum and Manner of Acting: Except as otherwise provided by statute or by these By-laws, a majority of the authorized number of Directors shall be required to constitute a quorum for the transaction of business at any meeting, and the affirmative vote of a majority of the Directors present at the meeting shall be necessary for the adoption of any resolution or the taking of any other action. In the absence of a quorum, the Director or Directors present may adjourn any meeting from time to time until a quorum be had. Notice of any adjourned meeting need not be given.

Section 14. Written Consent: Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if all members of the Board consent thereto in writing and such writing or writings are filed with the minutes of proceedings of the Board.

Section 15. Compensation: The Board of Directors shall have the authority to fix the compensation of Directors for services in any capacity and to provide that the Corporation shall reimburse each Director for any expenses paid to him on account of his attendance at any regular or special meeting of the Board. Nothing herein contained shall be construed so as to preclude any Director from serving the Corporation in any other capacity, or from serving any of its

stockholders, subsidiaries or affiliated corporations in any capacity and receiving proper compensation therefor.

Section 16. Executive and Other Committees: The Board of Directors may in its discretion by resolution passed by a majority of the Directors present at a meeting at which a quorum is present designate an Executive Committee and one or more other committees, each consisting of one or more of the Directors of the Corporation, and each of which, to the extent provided in the resolution and the laws of the State of Delaware, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation and may authorize the seal of the Corporation to be affixed to all papers which may require it; provided, however, that no such committee shall have power or authority as to the following matters:

- (1) The amendment of the Certificate of Incorporation of the Corporation (except as provided under the Delaware General Corporation Law);
- (2) The amendment of the By-laws of the Corporation;
- (3) Approval or recommending to stockholders any action which must be submitted to stockholders for approval under the Delaware General Corporation Law.

Unless a greater proportion is required by the resolution designating a committee of the Board of Directors, a majority of the entire authorized number of members of such committee shall constitute a quorum for the transaction of business, and the act of a majority of the members voting on any item of business, if a quorum votes, shall be the act of such committee. Any action required, or permitted to be taken at any meeting of a committee of the Board of Directors, may be taken without a meeting if all members of such committee consent thereto in writing and the writing or writings are filed with the minutes of proceedings of such committee.

Section 17. Indemnification.

(a) Each person (including, here and hereinafter, the heirs, executors, administrators, or estate of such person) (1) who is or was a Director or officer of the Corporation, (2) who is or was an agent or employee of the Corporation other than an officer and as to whom the Corporation has agreed to grant such indemnity, or (3) who is or was serving at the request of the Corporation as its representative in the position of a director or officer of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the Corporation as of right to the full extent permitted or authorized by the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended against any fine, liability, cost or expense asserted against him or incurred by him in his capacity as such director, officer, agent, employee, or representative, or arising out of his status as such director, officer, agent, employee, or representative. The Corporation may maintain insurance, at its expense, to protect itself and any such person against any such fine, liability, cost or expense, whether or not the Corporation would have the power to indemnify him against such liability under the General Corporation Law of the State of Delaware.

(b) The right to indemnification conferred in this Section shall be a contract right and shall include the right to be paid by the Corporation the expenses incurred in connection with any matter covered by paragraph (a) of this Section 17 in advance of its final disposition (hereinafter an "advance payment of expenses"). If the Delaware General Corporation

Law requires, however, an advance payment of expenses incurred by an indemnitee in his or her capacity as a director or officer shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision that such indemnitee is not entitled to be indemnified for such expenses. Such expenses incurred by other employees, agents, or representatives, or by directors or officers who become the subject of a lawsuit by reason of actions other than in their capacity as a director or officer, may be so paid upon such terms and conditions as the Board of Directors deems appropriate.

(c) If a request for indemnification is not paid in full within sixty days, or if a request for advance payment of expenses is not paid in full within twenty days, after receipt by the Corporation of the written request, the indemnitee may at any time thereafter, prior to such payment, bring suit against the Corporation to recover the unpaid amount of the claim. If successful in whole or in part in such suit, the indemnitee shall be entitled also to recover from the Corporation the expenses reasonably incurred in prosecuting the claim. Neither the failure of the Board of Directors, legal counsel, or the stockholders of the Corporation to make a determination that the indemnitee is entitled to indemnification, nor a determination by any of them that the indemnitee is not entitled to indemnification, for whatever reason, shall create a presumption in such a suit that the indemnitee has not met the applicable standard of conduct, nor shall it be a defense to such suit. In any such suit the burden of establishing that the indemnitee is not entitled to indemnification or an advance payment of expenses shall be on the Corporation.

(d) The rights to indemnification and advance payment of expenses hereunder shall be in addition to any other right which any director, officer, employee, agent, or representative may have under any statute, provision of the Certificate of Incorporation, By-law, agreement, vote of stockholders or directors, or otherwise.

ARTICLE III.

Officers

Section 1. Officers Enumerated: The Board of Directors, as soon as may be practicable after the annual election of Directors, shall elect a Chairman and Chief Executive Officer, a Vice Chairman and President, one or more Vice Presidents (one or more of whom may be designated Executive Vice President or Senior Vice President), a Secretary, a Treasurer, and a Controller and from time to time may elect or appoint such other officers as it may determine. Any two or more offices may be held by the same person.

Section 2. Term of Office: Each officer shall hold office for the term for which he is elected or appointed and until his successor has been elected or appointed and qualified or until his death or until he shall resign or until he shall have been removed in the manner hereinafter provided.

Section 3. Powers and Duties: The officers of the Corporation shall each have such powers and authority and perform such duties in the management of the property and affairs of the Corporation as from time to time may be prescribed by the Board of Directors and, to the extent not so prescribed, they shall each have such powers and authority

and perform such duties in the management of the property and affairs of the Corporation, subject to the control of the Board, as generally pertain to their respective offices.

Without limitation of the foregoing:

- (a) Chairman and Chief Executive Officer: The Chairman and Chief Executive Officer shall be the chief executive officer of the Corporation and shall preside at all meetings of the Board and of the Executive Committee of the Board and at all meetings of stockholders. He shall be a director of the Corporation. He shall be an ex officio member of all committees of the Board, except the Executive Compensation and the Audit Committees.
- (b) Vice Chairman and President: The Vice Chairman and President shall have such powers and authority and perform such duties in the general management and operations of the Corporation as are incident to these offices and as shall be delegated to him by the Chairman and Chief Executive Officer or the Board of Directors. He shall be a director of the Corporation. In the event of the death, resignation, removal, disability or absence of the Chairman and Chief Executive Officer, he shall possess the powers and perform the duties of such officer.
- (c) Vice Presidents: The Board of Directors shall determine the powers and duties of the respective Vice Presidents and may, in its discretion, fix such order of seniority among the respective Vice Presidents as it may deem advisable.
- (d) Secretary: The Secretary shall issue notices of all meetings of the stockholders and Directors where notices of such meetings are required by law or these By-laws and shall keep the minutes of such meetings. He shall sign such instruments and attest such documents as require his signature of attestation and affix the corporate seal thereto where appropriate.
- (e) Treasurer: The Treasurer shall have custody of all funds and securities of the Corporation and shall sign all instruments and documents as require his signature. He shall perform all acts incident to the position of Treasurer, subject to the control of the Board of Directors.
- (f) Controller: The Controller shall be in charge of the accounts of the Corporation and he shall have such powers and perform such duties as may be assigned to him by the Board of Directors.
- (g) General Counsel: The General Counsel shall have general control of all matters of legal import concerning the Corporation.

Section 4. Temporary Absence: In case of the temporary absence or disability of any officer of the Corporation, except as otherwise provided in these By-laws, the Chairman of the Board, the President, the Vice Chairman, any Vice President, the Secretary or the Treasurer may perform any of the duties of any such other officer as the Board of Directors or Executive Committee may prescribe.

Section 5. Resignations: Any officer may resign at any time by giving written notice of his resignation to the Corporation. Any such resignation shall take effect at the time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Removal: Any officer may be removed, either with or without cause, at any time by action of the Board of Directors.

Section 7. Vacancies: A vacancy in any office because of death, resignation, removal or any other cause may be

filled by the Board of Directors.

Section 8. Compensation: The salaries of the officers shall be fixed from time to time by the Board of Directors. Nothing contained herein shall preclude any officer from serving the Corporation in any other capacity, including that of director, or from serving any of its stockholders, subsidiaries or affiliated corporations in any capacity and receiving a proper compensation therefor.

Section 9. Contracts, Checks, etc.: All contracts and agreements authorized by the Board of Directors, and all checks, drafts, bills of exchange or other orders for the payment of money, notes or other evidences of indebtedness, issued in the name of the Corporation, shall be signed by such person or persons and in such manner as may from time to time be designated by the Board of Directors, which designation may be general or confined to specific instances.

Section 10. Proxies in Respect of Securities of Other Corporations: Unless otherwise provided by resolution adopted by the Board of Directors, the Chairman of the Board, the President and Chief Executive Officer, the Vice Chairman, a Vice President, or the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer, or any one of them, may exercise or appoint an attorney or attorneys, or an agent or agents, to exercise in the name and on behalf of the Corporation the powers and rights which the Corporation may have as the holder of stock or other securities in any other corporation to vote or to consent in respect of such stock or other securities; and the Chairman of the Board, the President and Chief Executive Officer, the Vice Chairman, a Vice President, or the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer may instruct the person or persons so appointed as to the manner of exercising such powers and rights and the Chairman of the Board, the President and Chief Executive Officer, the Vice Chairman, a Vice President, or the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer may execute or cause to be executed in the name and on behalf of the Corporation and under its corporate seal, or otherwise, all such ballots, consents, proxies, powers of attorney or other written instruments as they or either of them may deem necessary in order that the Corporation may exercise such powers and rights. Any stock or other securities in any other corporation which may from time to time be owned by or stand in the name of the Corporation may, without further action, be endorsed for sale or transfer or sold or transferred by the Chairman of the Board, the President and Chief Executive Officer, the Vice Chairman, or a Vice President, or the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer of the Corporation or any proxy appointed in writing by any of them.

ARTICLE IV.

Shares and Their Transfer

Section 1. Certificates of Stock: Every stockholder shall be entitled to have a certificate certifying the number of shares of stock of the Corporation owned by him signed by, or in the name of, the Corporation by the Chairman of the Board, or the President and Chief Executive Officer, the Vice Chairman, or a Vice President and by the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary of the Corporation. Any of or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar.

Section 2. Transfers: Certificates shall be registered for transfer on the stock books of the Corporation in person or by attorney, but, except as hereinafter provided in the case of loss, destruction or mutilation of certificates, no transfer of stock shall be entered until the

previous certificate, if any, given for the same shall have been surrendered and canceled.

Section 3. Lost, Destroyed or Mutilated Certificates: The Corporation may issue a new certificate of stock of the same tenor and same number of shares in place of a certificate theretofore issued by it which is alleged to have been lost, stolen or destroyed; provided, however, the Board of Directors or the Executive Committee or the Secretary of the Corporation may require the owner of the lost, stolen or destroyed certificate, or his legal representative, to give the Corporation a bond of indemnity, in form and with one or more sureties satisfactory to the Board or the Executive Committee, sufficient to indemnify it against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

Section 4. Record Date: The Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other action, as a record date for the determination of the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or entitled to receive payment of any dividend or other distribution or allotment of any rights or entitled to exercise any rights with respect to any change, conversion or exchange of stock or for the purpose of any other lawful action. If no record date is fixed, (a) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day upon which the meeting is held, and (b) the date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

Section 5. Books and Records: The books and records of the Corporation may be kept at such places within or without the State of Delaware as the Board of Directors may from time to time determine.

ARTICLE V.

Seal

The Board of Directors shall provide a corporate seal, which shall be in the form of a circle and shall bear the name of the Corporation, the year in which the Corporation was incorporated (1971) and the words "Corporate Seal - Delaware" and such other words or figures as the Board of Directors may approve and adopt.

ARTICLE VI.

Amendments

Except as otherwise provided by these By-laws, the Certificate of Incorporation, or by operation of law, the By-laws of the Corporation may be made, altered or repealed by vote of the stockholders at any annual or special meeting of stockholders called for that purpose or by the affirmative vote of a majority of the directors then in office given at any regular or special meeting of the Board of Directors.

GANNETT CO., INC.

1987 DEFERRED COMPENSATION PLAN

Amendment No. 5

The Gannett Co., Inc., 1987 Deferred Compensation Plan (the "Plan") is hereby amended as follows, effective as of June 23, 1997:

1. Subsection 2.9(d) is amended by deleting the current provision in its entirety and substituting in its place the following:

- (d) In the event of a Participant's death or disability before the Participant has received all of his or her Deferred Compensation Accounts, the value of the Accounts shall be paid to the Participant's designated beneficiary, in the case of death, or to the Participant, in the case of disability, at such time and in such form of payment as is set forth on the applicable designation form signed by the Participant, or as the Committee determines, in its sole discretion.

Beneficiary designations shall be submitted on the form specified by the Company. If a Participant so chooses, a separate beneficiary designation may be made for each Deferred Compensation Account. The filing of a new beneficiary designation shall automatically revoke any previous beneficiary designation. In the event a beneficiary designation has not been made, or the beneficiary was not properly designated (in the sole discretion of the Company), has died or cannot be found, all payments after death shall be paid to the Participant's estate. In case of disputes over the proper beneficiary, the Company reserves the right to make any or all payments to the Participant's estate.

2. Article 2 is amended by adding to the end thereof the following new Section 2.11:

2.11 Company Contributions

The Company may, in its sole discretion, make direct cash contributions to the accounts or subaccounts on behalf of any eligible Participant. The amount and timing of such contributions shall be subject to the approval of the Executive Compensation Committee of the Board of Directors and that Committee may impose vesting or other requirements on such accounts.

Except as otherwise provided in this Section, accounts so established shall be subject to the same terms, conditions, and elections as are applicable to other accounts under the Plan. The Company shall initially specify the time and method of payment of amounts from such accounts and may change the time and method of payment at any time, no later than twelve months before payments are scheduled to begin. The Company may accelerate payments at any

time. The Company's decisions as to the time and method of payment need not fall within the provisions of the Plan applicable to other deferred compensation accounts, but shall be subject to the approval of the Executive Compensation Committee.

This Amendment was approved by the Executive Compensation Committee of the Board of Directors of the Corporation on August 18, 1997.

GANNETT CO., INC.

1978 EXECUTIVE LONG TERM INCENTIVE PLAN

AMENDMENT NO. 8

Section 2.6 of the 1978 Executive Long Term Incentive Plan is hereby amended to provide as follows:

2.6 Death of Optionee

Upon the death of the optionee, any rights to the extent exercisable on the date of death may be exercised by the optionee's estate, or by a person who acquires the right to exercise such Option by bequest or inheritance or by reason of the death of the optionee, provided that such exercise occurs within both the remaining effective Term of the Option and one year after the optionee's death. The Committee, in its discretion, may extend the exercise period to up to three years following the death of the optionee, provided that no such extension shall extend the Term of any Option beyond the maximum term applicable to such Option.

This Amendment was approved by the Executive Compensation Committee of the Board of Directors of the Corporation on August 18, 1997.

CALCULATION OF EARNINGS PER SHARE
Gannett Co., Inc. and Subsidiaries
Unaudited, in thousands of dollars (except per share amounts)

	Thirteen weeks ended		Thirty-nine weeks ended	
	Sept. 28, 1997	Sept. 29, 1996	Sept. 28, 1997	Sept. 29, 1996
	-----	-----	-----	-----
Income from continuing operations	\$ 152,460	\$ 111,210	\$ 482,257	\$ 334,897
Income from discontinued operations				
Discontinued operations, net of tax		8,861		24,540
Gain from sale of discontinued operations, net of tax		294,580		294,580
	-----	-----	-----	-----
Net Income	\$ 152,460	\$ 414,651	\$ 482,257	\$ 654,017
	=====	=====	=====	=====
Weighted average number of common shares outstanding	283,597	281,888	283,227	281,646
	=====	=====	=====	=====
Income per share from continuing operations	\$0.54	\$0.39	\$1.70	\$1.18
Income per share from discontinued operations				
Discontinued operations, net of tax		0.03		0.09
Gain from sale of discontinued operations, net of tax		1.05		1.05
	-----	-----	-----	-----
Net income per share	\$0.54	\$1.47	\$1.70	\$2.32
	=====	=====	=====	=====

NOTE: All common share amounts have been adjusted to reflect the two-for-one stock split effective on October 6, 1997.

This schedule contains summary financial information extracted from the consolidated balance sheets and statements of income for Gannett Co., Inc. and is qualified in its entirety by reference to such financial statements.

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9-MOS		
	DEC-28-1997	
	DEC-30-1996	
	SEP-28-1997	
		44,155
		1,969
		570,160
		17,310
		93,826
	772,677	
		3,578,270
	1,565,100	
	6,398,938	
694,065		
		0
		324,421
	0	
		0
		2,958,816
6,398,938		
		3,410,674
	3,410,674	
		1,744,586
	2,507,633	
	7,665	
	0	
	73,819	
	821,557	
	339,300	
482,257		
		0
		0
		0
		482,257
		1.70
		0